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OPENING STATEMENT OF THE HONORABLE ROSCOE G. BARTLETT

The hearing will come to order.

I welcome all members to our first meeting of the 107th Congress, and particularly welcome our new and returning members. As you all know, Robert Underwood and I have been asked to take the helm of the Panel this Congress, succeeding our good friends and colleagues John McHugh and Marty Meehan. John and Marty have been wonderful stewards of MWR programs for the past six years, and I salute them.

We also are pleased to welcome several new members to the Panel, Ander Crenshaw of Florida, Mark Kirk of Illinois, Ed Schrock of Virginia, and Susan Davis of California. Neil Abercrombie was careful to establish his credentials as a returning member. I welcome all new and our returning members to the Panel.

I'd like to open with a few words about my intentions as chairman. I assume the chairmanship without any preconceived ideas of what should be done by the MWR Panel, except that we should do whatever is best for our military. Like all members, I have some strongly held beliefs about our responsibilities to the young men and women who serve in our armed services. One of my convictions is that we serve as surrogate parents for the eighteen and nineteen year old troops who join our military. We have an obligation to return them to their hometowns and parents as better and more mature citizens than when they joined the military.

In that regard, I worry when we tempt these young troops unduly with products and services that are not good for them. Let me reassure you all that I recognize that we have an obligation to offer our military members and their families the same range of legal products that are generally available in commercial retail and grocery stores. I also recognize that there are legitimate differences of opinion concerning what is or is not "good" for the troops. Furthermore, I have recently visited several exchanges and have seen nothing objectionable.

I just want all to understand my view that we shouldn't be promoting products and services with well-established ill effects.

With a new Panel in place and a new administration in place, I thought it best to start out with a broad based hearing that reviews for all members, and frankly, for the new administration, what exchanges and commissaries mean to our military families. With that thought, we've assembled quite an array of expertise on these programs—we'll hear from policy makers, systems operators, industry, and patrons today, and I urge all members to give each panel full attention.

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Both the Congress and the Department of Defense are reviewing all defense programs with a critical eye. While military resale activities are not the most expensive of Pentagon programs, they do consume significant resources. It is fair to ask if we are getting sufficient bang for the buck, if I can use that phrase in this context. While I know that some well-respected analysts in the past have criticized these programs, I believe that commissaries and exchanges are very important benefits that must be maintained.

As long as we have military bases, and despite continuous talk of base closures, there's no question that we will continue to have a large number of military bases. And as long as we have people in the military, and as far as I can tell, the military will continue to need large numbers of young recruits for the foreseeable future, then we will need to provide a strong military community on base. This means continuing to provide for essential services such as commissaries, exchanges, health care, and MWR programs. In short, my view that we serve as surrogate parents drives me to be very supportive of this system. While I retain an open mind on the details of the programs that may need adjustment, I am a strong supporter of the system at large. Similarly, I am a steadfast supporter of a strong American military, though I will reserve judgment on which weapons systems we should buy for the future, pending a thorough DOD review.

Given that view, I believe we should concentrate this year on the benefits of these programs and on oversight of recently enacted changes. I think we have an obligation to examine commissary funding in light of the changes we made last year as to how the surcharge fund may be expended.

Our expectation is that we will have a healthier commissary construction request. I am interested in hearing about that, and also hearing about how DECA is driving down their need for appropriated funds. On the exchange side, I would like to review what effect last year's changes in Armed Services Exchange Regulations have had on both the exchanges and small businesses.

A word to the business community. I am very supportive of business and small business in particular. This stems from my own experience owning and running a small business and from my eight years of experience on the Small Business Committee. While I believe that the military resale system should make every effort to reach out to small business, I also believe that the business community should be honored to have the opportunity to do business with the military and provide service to our fine young men and women in uniform.

As I mentioned, I have already done some traveling in my short time as chairman and have been impressed by what I have seen so far. It is apparent that exchange and commissary operations are well run operations staffed by people committed to do the best that they can for military families. It's also very clear that they need the full support of the business community to provide this level of outstanding service.

We have several distinguished panels of witnesses to hear from today. Before proceeding to our witnesses, let me now recognize the Panel's ranking Democrat, Robert Underwood of Guam, for any opening remarks he would like to make.